GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:85
ANSWERED ON:29.07.2005
NON-PERFORMING ASSETS
Badiga Shri Ramakrishna;Ponnuswamy Shri Mohan

Will the Minister of FINANCE be pleased to state:

(a) whether an amount of loan to the tune of 96 crore is outstanding on account of Non-Performing Assets against big companies as reported in the Danik Jagran dated the July 5, 2005;

(b) if so, the facts and details thereof;

(c) whether the Government propose to enact stringent laws to recover the outstanding loans of nationalised banks;

(d) if so, the details thereof and the time by which it is likely to be enacted;

(e) whether the Government proposes to set up special courts to deal with them; and

(f) if so, the details thereof?

Answer

FINANCE MINISTER (SHRI P. CHIDAMBARAM)

(a) to (f) : A statement is laid on the Table of the House.

STATEMENT FOR LOK SABHA STARRED QUESTION NO 85 FOR 29th JULY 2005 REGARDING NON-PERFORMING ASSETS TABLED BY SHRI BADIGA RAMAKRISHNA AND SHRI P. MOHAN

(a) & (b) The gross Non-Performing Assets (NPAs) of all scheduled commercial banks as on 31st March 2005 were of the order of Rs. 58091 crore. The top ten defaulter companies owe Rs. 3908 crore to banks/FIs.

(c) & (d) The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002 has been enacted to facilitate recovery of outstanding loans. The Act, inter- alia, provides for enforcement of security interest for realization of dues without the intervention of courts or tribunals. The Government has also notified the Security Interest (Enforcement) Rules, 2002 to enable Secured Creditors to authorise their officials to enforce the securities and recover the dues from the borrowers.

(e) & (f) 29 Debt Recovery Tribunals (DRTs) and 5 Debt Recovery Appellate Tribunals (DRATs) have been set up all over the country for expeditious disposal of recovery suits filed by banks/FIs.